

**Introduced by Senator Murray
(Principal coauthor: Senator Alpert)**

February 20, 2003

An act to amend Sections ~~12090, 12091, 12092, 12093, 12094,~~ 66010.6, 66903, 94770, and 94780 of, to amend and renumber Sections 94900, 94901, and 94905 of, *to add Section 66903.1 to*, to add a chapter heading immediately preceding Section 94250 of, *to repeal Sections 12090, 12091, 12092, 12093, and 12094 of*, and to repeal the heading of Article 8 (commencing with Section 94900) of Chapter 7 of Part 59 of, the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 542, as amended, Murray. Postsecondary education: California Postsecondary Education Commission.

(1) Existing law, known as the Donahoe Higher Education Act, sets forth, among other things, the missions and functions of California's public and independent segments of higher education, and their respective institutions of higher education. Among other things, the act establishes the California Postsecondary Education Commission (CPEC) for, among other purposes, the collection of data pertinent to the planning and coordination of the higher education system of the state.

Existing law authorizes the State Department of Education to enter into agreements with the federal Veterans Administration, or any other agency of the federal government, for the education of veterans in any of the schools of the California public school system, except the California State University.

This bill would withdraw that authority from the State Department of Education and, instead, grant that authority to CPEC.

(2) The existing Private Postsecondary and Vocational Education Reform Act of 1989 generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes the Bureau for Private Postsecondary and Vocational Education, which, among other things, is required to review and investigate all institutions, programs, and courses of instruction approved under the act. The act is to be repealed by its own provisions on January 1, 2005.

This bill would renumber the provisions of the act that relate to private postsecondary institutions that grant degrees, as defined, and remove those provisions from the act. The repeal date of the act would no longer be applicable to these provisions, the operation of which would thus be extended indefinitely. The bill would also withdraw from the bureau the authority to regulate and approve private postsecondary institutions that grant degrees and, instead, grant that authority to CPEC.

(3) *The bill would require CPEC to consult with representatives of the private, public, and independent postsecondary education sectors, and develop recommendations for long-term policies that guide oversight and regulation of the nonpublic sectors of postsecondary education. The bill would require CPEC to submit the recommendations to the appropriate education committees of the Legislature by September 1, 2004.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to accomplish
- 2 all of the following:
- 3 (a) Facilitate articulation and transferability of courses
- 4 completed by students in the public, private, and independent
- 5 sectors of postsecondary education by applying a common set of
- 6 program review standards.
- 7 (b) Ensure that students are not defrauded when they choose to
- 8 enroll in private degree-granting institutions.



(c) Use the full range of public and nonpublic resources to meet the education demands of Tidal Wave II.

~~SEC. 2. Section 12090 of the Education Code is amended to read:~~

~~SEC. 2. Section 12090 of the Education Code is repealed.~~

~~12090. Subject to the provisions of this article, the State Department of Education acting by and through the Director of Education is hereby authorized to enter into an agreement, or agreements, with the Veterans Administration, or any other agency of the federal government, for the education of veterans in any of the schools of the public school system, except the California State University. The contract shall provide for the payment to the schools through the State Department of Education or otherwise of the maximum amount permitted by the act, or acts, of Congress under which the agreement, or agreements, is entered into by the Veterans Administration, or any other agency of the federal government.~~

~~12090. (a) Subject to the provisions of this article, the commission is hereby authorized to enter into an agreement, or agreements, with the Veterans Administration, or any other agency of the federal government, for the education of veterans in any of the schools of the public school system, except the California State University. The contract shall provide for the payment to the schools through the commission or otherwise of the maximum amount permitted by the act, or acts, of Congress under which the agreement, or agreements, is entered into by the Veterans Administration, or any other agency of the federal government.~~

~~(b) As used in this article, "commission" refers to the California Postsecondary Education Commission.~~

~~SEC. 3. Section 12091 of the Education Code is amended to read:~~

~~SEC. 3. Section 12091 of the Education Code is repealed.~~

~~12091. The Director of Education is vested with all necessary power and authority to cooperate with any such agency of the federal government in the administration of any applicable act of Congress and rules and regulations adopted thereunder.~~

~~12091. The commission is vested with all necessary power and authority to cooperate with any agency of the federal government in the administration of any act of Congress, as well~~

1 as the rules and regulations adopted thereunder, that is applicable
2 to this article.

3 ~~SEC. 4. Section 12092 of the Education Code is amended to~~
4 ~~read:~~

5 *SEC. 4. Section 12092 of the Education Code is repealed.*

6 ~~12092. The Department of Education through the Director of~~
7 ~~Education is authorized to enter into agreements with governing~~
8 ~~boards of school districts for the education by such districts of~~
9 ~~veterans in accordance with the agreement between the~~
10 ~~Department of Education and the agency of the federal~~
11 ~~government.~~

12 ~~12092. The commission is authorized to enter into~~
13 ~~agreements with governing boards of school districts for the~~
14 ~~education by those districts of veterans in accordance with the~~
15 ~~agreement between the commission and the agency of the federal~~
16 ~~government.~~

17 ~~SEC. 5. Section 12093 of the Education Code is amended to~~
18 ~~read:~~

19 *SEC. 5. Section 12093 of the Education Code is repealed.*

20 ~~12093. The governing board of any school district which~~
21 ~~entered into an agreement with the Department of Education under~~
22 ~~this article may do any and all things required or authorized by~~
23 ~~such agreement of the board or district, including, but not limited~~
24 ~~to, the purchase of books, supplies and equipment for veterans~~
25 ~~educated under such agreement.~~

26 ~~12093. The governing board of any school district that enters~~
27 ~~into an agreement with the commission under this article may do~~
28 ~~any and all things required or authorized by that agreement,~~
29 ~~including, but not necessarily limited to, the purchase of books,~~
30 ~~supplies, and equipment for the veterans educated under that~~
31 ~~agreement.~~

32 ~~SEC. 6. Section 12094 of the Education Code is amended to~~
33 ~~read:~~

34 *SEC. 6. Section 12094 of the Education Code is repealed.*

35 ~~12094. The Department of Education shall exercise general~~
36 ~~supervision over, and shall provide for the coordination of, all~~
37 ~~services and facilities performed and provided by school districts~~
38 ~~for the education of veterans to the end that the needs of the~~
39 ~~veterans shall be met in the most adequate manner.~~

1 ~~12094. The commission shall exercise general supervision~~
2 ~~over, and shall provide for the coordination of, all services~~
3 ~~performed, and all facilities provided, by school districts for the~~
4 ~~education of veterans to the end that the needs of the veterans shall~~
5 ~~be met in the most adequate manner.~~

6 SEC. 7. Section 66010.6 of the Education Code is amended
7 to read:

8 66010.6. ~~(a)~~ The missions of agencies charged with
9 coordination, administration, or implementation of higher
10 education policies and programs in California shall be as follows:

11 ~~(1)~~

12 (a) The California Postsecondary Education Commission is
13 the statewide postsecondary education coordinating and planning
14 agency. The commission shall serve as a principal fiscal and
15 program advisor to the Governor and the Legislature on
16 postsecondary educational policy. Consistent with Section 66903,
17 the commission's responsibilities shall include, but not necessarily
18 be limited to, all of the following:

19 ~~(A)~~

20 (1) Analysis and recommendations related to long-range
21 planning for public postsecondary education.

22 ~~(B)~~

23 (2) Analysis of state policy and programs involving the
24 independent and private postsecondary educational sectors.

25 ~~(C)~~

26 (3) Analysis and recommendations related to program and
27 policy review.

28 ~~(D)~~

29 (4) Resource analysis.

30 ~~(E)~~

31 (5) Maintenance and publication of pertinent public
32 information relating to all aspects of postsecondary education.

33 ~~(F)~~

34 (6) Approving and regulating private postsecondary
35 educational institutions that grant degrees.

36 ~~(2) The commission shall consult. For purposes of this~~
37 ~~paragraph, "private postsecondary educational institutions that~~
38 ~~grant degrees" means those private postsecondary educational~~
39 ~~institutions that offer associate of arts or science, baccalaureate,~~
40 ~~masters, doctorate, or professional degrees and that incorporate~~

1 *general education as a regular part of their curriculum*
2 *requirements.*

3 (7) Consulting with the postsecondary educational segments
4 and with relevant state agencies, including the Student Aid
5 Commission, the Superintendent of Public Instruction, and other
6 relevant parties, in its preparation of analyses and
7 recommendations to the Governor and the Legislature. However,
8 the commission shall remain an independent and nonpartisan body
9 responsible for providing an integrated and segmentally unbiased
10 view for purposes of state policy formulation and evaluation.

11 (b) (1) The California Student Aid Commission is the primary
12 state agency for the administration of state-authorized student
13 financial aid programs available to students attending all segments
14 of postsecondary education. These programs include grant, work
15 study, and loan programs supported by the state and the federal
16 government.

17 (2) Consistent with this responsibility, the commission shall
18 provide, in consultation with the postsecondary education
19 segments and relevant state agencies, policy leadership on student
20 financial aid issues, evaluate the effectiveness of its programs,
21 conduct research and long-range planning as a foundation for
22 program improvement, report on total state financial aid needs,
23 and disseminate information to students and their families.

24 (c) The Bureau for Private Postsecondary and Vocational
25 Education is the primary state agency responsible for approving
26 and regulating private postsecondary and vocational educational
27 institutions, other than private postsecondary institutions that
28 grant degrees, and for developing state policies for private
29 postsecondary and vocational education in California. The bureau
30 shall represent the private postsecondary and vocational education
31 institutions, other than private postsecondary institutions that
32 grant degrees, in all state level planning and policy discussions
33 about postsecondary and vocational education.

34 SEC. 8. Section 66903 of the Education Code is amended to
35 read:

36 66903. The commission has the following functions and
37 responsibilities in its capacity as the statewide postsecondary
38 education planning and coordinating agency and adviser to the
39 Legislature and the Governor:



1 (a) It shall require the governing boards of the segments of
2 public postsecondary education to develop and submit to the
3 commission institutional and systemwide long-range plans in a
4 form determined by the commission after consultation with the
5 segments.

6 (b) It shall prepare a state plan for postsecondary education that
7 shall integrate the planning efforts of the public segments with
8 other pertinent plans. The commission shall seek to resolve
9 conflicts or inconsistencies among segmental plans in consultation
10 with the segments. If these consultations are unsuccessful, the
11 commission shall report the unresolved issues to the Legislature
12 with recommendations for resolution. In developing the plan, the
13 commission shall consider at least the following factors:

14 (1) The need for, and location of, new facilities.

15 (2) The range and kinds of programs appropriate to each
16 institution or system.

17 (3) The budgetary priorities of the institutions and systems of
18 postsecondary education.

19 (4) The impact of various types and levels of student charges
20 on students and on postsecondary education programs and
21 institutions.

22 (5) The appropriate levels of state-funded student financial aid.

23 (6) The access and admission of students to postsecondary
24 education.

25 (7) The educational programs and resources of independent
26 and private postsecondary institutions.

27 (8) The provisions of this division differentiating the functions
28 of the public systems of higher education.

29 (c) It shall update the plan periodically, as appropriate.

30 (d) It shall participate in appropriate stages of the executive and
31 the legislative budget processes as requested by the executive and
32 the legislative branches, and shall advise the executive and the
33 legislative branches as to whether segmental programmatic
34 budgetary requests are compatible with the state plan. It is not
35 intended that the commission hold independent budget hearings.

36 (e) It shall advise the Legislature and the Governor regarding
37 the need for, and location of, new institutions and campuses of
38 public higher education.

39 (f) It shall review proposals by the public segments for new
40 programs, the priorities that guide them, and the degree of

1 coordination with nearby public, independent, and private
2 postsecondary educational institutions, and shall make
3 recommendations regarding those proposals to the Legislature and
4 the Governor.

5 (g) In consultation with the public segments, it shall establish
6 a schedule for segmental review of selected educational programs,
7 evaluate the program approval, review, and disestablishment
8 processes of the segments, and report its findings and
9 recommendations to the Legislature and the Governor.

10 (h) It shall serve as a stimulus to the segments and institutions
11 of postsecondary education by projecting and identifying societal
12 and educational needs and encouraging adaptability to change.

13 (i) It shall periodically collect or conduct, or both collect and
14 conduct, studies of projected manpower supply and demand, in
15 cooperation with appropriate state agencies, and disseminate the
16 results of those studies to institutions of postsecondary education
17 and to the public in order to improve the information base upon
18 which student choices are made.

19 (j) It shall periodically review and make recommendations
20 concerning the need for, and availability of, postsecondary
21 programs for adult and continuing education.

22 (k) It shall develop criteria for evaluating the effectiveness of
23 all aspects of postsecondary education.

24 (l) It shall maintain and update annually an inventory of all
25 off-campus programs and facilities for education, research, and
26 community services operated by public and independent
27 institutions of postsecondary education.

28 (m) (1) It shall act as a clearinghouse for postsecondary
29 education information and as a primary source of information for
30 the Legislature, the Governor, and other agencies. It shall develop
31 and maintain a comprehensive database that does all of the
32 following:

33 (A) Ensures comparability of data from diverse sources.

34 (B) Supports longitudinal studies of individual students as they
35 progress through the state's postsecondary educational
36 institutions, based upon the commission's existing student
37 database through the use of a unique student identifier.

38 (C) Is compatible with the California School Information
39 System and the student information systems developed and

1 maintained by the public segments of higher education, as
2 appropriate.

3 (D) Provides Internet access to data, as appropriate, to the
4 sectors of higher education.

5 (E) Provides each of the educational segments access to the
6 data made available to the commission for the purposes of the
7 database, in order to support, most efficiently and effectively,
8 statewide, segmental, and individual campus educational research
9 information needs.

10 (2) The commission, in implementing paragraph (1), shall
11 comply with the federal Family Educational Rights and Privacy
12 Act of 1974 (20 U.S.C. Sec. 1232g) relating to the disclosure of
13 personally identifiable information concerning students.

14 (3) The commission may not make available any personally
15 identifiable information received from a postsecondary
16 educational institution concerning students for any regulatory
17 purpose unless the institution has authorized the commission to
18 provide that information on behalf of the institution.

19 (4) The commission shall provide 30-day notification to the
20 chairpersons of the appropriate legislative policy and budget
21 committees of the Legislature, to the Director of Finance, and to
22 the Governor prior to making any significant changes to the
23 student information contained in the database.

24 (n) It shall establish criteria for state support of new and
25 existing programs, in consultation with the public segments, the
26 Department of Finance, and the Joint Legislative Budget
27 Committee.

28 (o) It shall comply with the appropriate provisions of the
29 federal Education Amendments of 1972 (P.L. 92-318), as
30 specified in Section 67000.

31 (p) It shall consider the relationship among academic education
32 and vocational education and job training programs, and shall
33 actively consult with representatives of public and private
34 education.

35 (q) It shall review all proposals for changes in eligibility pools
36 for admission to public institutions and segments of postsecondary
37 education and shall make recommendations to the Legislature, the
38 Governor, and institutions of postsecondary education. In carrying
39 out this subdivision, the commission periodically shall conduct a
40 study of the percentages of California public high school graduates

1 estimated to be eligible for admission to the University of
2 California and the California State University. The changes made
3 to this subdivision during the 2001–02 Regular Session of the
4 Legislature shall be implemented only during those fiscal years for
5 which funding is provided for the purposes of those provisions in
6 the annual Budget Act or in another measure.

7 (r) It shall report periodically to the Legislature and the
8 Governor regarding the financial conditions of independent
9 institutions, their enrollment and application figures, the number
10 of student spaces available, and the respective cost of utilizing
11 those spaces as compared to providing additional public spaces.
12 The reports shall include recommendations concerning state
13 policies and programs having a significant impact on independent
14 institutions.

15 (s) Upon request of the Legislature or the Governor, it shall
16 submit to the Legislature and the Governor a report on all matters
17 so requested that are compatible with its role as the statewide
18 postsecondary education planning and coordinating agency. Upon
19 request of individual Members of the Legislature or personnel in
20 the executive branch, the commission shall submit information or
21 a report on any matter to the extent that sufficient resources are
22 available. From time to time, it also may submit to the Legislature
23 and the Governor a report that contains recommendations as to
24 necessary or desirable changes, if any, in the functions, policies,
25 and programs of the several segments of public, independent, and
26 private postsecondary education.

27 (t) In consultation with the public segments, it shall consider
28 the development of facilities to be used by more than one segment
29 of public higher education, commonly called “joint-use
30 facilities.” It shall recommend to the Legislature criteria and
31 processes for different segments to utilize bond funds for these
32 intersegmental, joint-use facilities.

33 (u) Pursuant to Chapter 2.5 (commencing with Section 94250)
34 of Part 59, it shall provide oversight and regulatory services with
35 respect to private postsecondary institutions that offer degree
36 programs.

37 (v) It may undertake other functions and responsibilities that
38 are compatible with its role as the statewide postsecondary
39 education planning and coordinating agency.

SEC. 9. *Section 66903.1 is added to the Education Code, to read:*

66903.1. (a) *Subject to the provisions of this article, the commission may enter into an agreement with the United States Veterans Administration, or with any other agency of the federal government, for the education of veterans in any of the schools of the public school system or on any campus of a regionally accredited or state approved postsecondary education institution. The agreement shall provide for the payment to the schools of the maximum amount permitted by the act of Congress under which the agreement is entered into by the United States Veterans Administration, or by any other agency of the federal government.*

(b) *The commission is vested with all necessary power and authority to cooperate with any agency of the federal government in the administration of any act of Congress, as well as the rules and regulations adopted thereunder, that is applicable to this article.*

(c) *The commission may enter into an agreement with a governing board of a school district for the education by the district of veterans in accordance with the agreement between the commission and the agency of the federal government.*

SEC. 10. A chapter heading immediately preceding Section 94250, is added to Part 59 of the Education Code, to read:

CHAPTER 2.5. PRIVATE POSTSECONDARY DEGREE-GRANTING
INSTITUTIONS

~~SEC. 10.~~

SEC. 11. Section 94770 of the Education Code is amended to read:

94770. (a) There is a Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs. The bureau shall succeed to any and all rights and claims of the former Council for Private Postsecondary and Vocational Education that may have been asserted in any judicial or administrative action pending on January 1, 1998, and shall take any action reasonably necessary to assert and realize those rights and claims in its own name. The functions of the former council and the responsibilities the former council had for the administration of former Chapter 7 (commencing with Section 94700) on June 29, 1997, are

1 transferred to the bureau, effective January 1, 1998, as provided by
2 this act. It is the intent of the Legislature that there be no gap in the
3 performance of functions or the administration of the law
4 governing private postsecondary educational institutions.
5 Notwithstanding any other provision of law, Section 19050.9 of
6 the Government Code shall apply regardless of the date on which
7 former Chapter 7 (commencing with Section 94700) became
8 inoperative or was repealed.

9 (b) The bureau shall have possession and control of all records,
10 papers, offices, equipment, supplies, or other property, real or
11 personal, held for the benefit or use by the former council in the
12 performance of the duties, powers, purposes, responsibilities, and
13 jurisdictions that are vested in the bureau.

14 (c) The bureau has the responsibility for approving and
15 regulating private postsecondary educational institutions, other
16 than the degree-granting institutions that are approved and
17 regulated by the California Postsecondary Education Commission
18 pursuant to Chapter 2.5 (commencing with Section 94250). The
19 bureau shall have, as its objective, the development of a strong,
20 vigorous, and widely respected sector of private postsecondary
21 and vocational education.

22 ~~SEC. 11.~~

23 *SEC. 12.* Section 94780 of the Education Code is amended to
24 read:

25 94780. No institution, subject to this chapter, shall offer any
26 educational service unless the institution is first approved by the
27 council and meets all of the requirements in the following articles:

28 (a) This article, Article 6 (commencing with Section 94800)
29 except as provided for institutions approved under Article 9.5
30 (commencing with Section 94931), Article 10 (commencing with
31 Section 94932), Article 11 (commencing with Section 94940), and
32 Article 12 (commencing with Section 94944).

33 (b) Article 9 (commencing with Section 94915), if the
34 institution does not offer degrees.

35 (c) Article 9.5 (commencing with Section 94931), if the
36 institution is registered pursuant to that article.

37 (d) Article 7 (commencing with Section 94850), if the
38 educational programs are not exempt under Section 94790.

39 ~~SEC. 12.~~

1 *SEC. 13.* The heading of Article 8 (commencing with Section
2 94900) of Chapter 7 of Part 59 of the Education Code is repealed.

3 ~~*SEC. 13.*~~

4 *SEC. 14.* Section 94900 of the Education Code is amended
5 and renumbered to read:

6 94250. (a) (1) No private postsecondary educational
7 institution may issue, confer, or award an academic or honorary
8 degree unless the institution is approved by the commission to
9 operate in California and award degrees.

10 (2) The commission shall not issue an approval under
11 paragraph (1) of subdivision (c) of Section 94251 or a conditional
12 approval under paragraph (2) of subdivision (c) of Section 94251
13 until it has conducted a qualitative review and assessment of, and
14 has approved, each degree program offered by the institution, and
15 all of the operations of the institution, and has determined all of the
16 following:

17 (A) The institution has the facilities, financial resources,
18 administrative capabilities, faculty, and other necessary
19 educational expertise and resources to ensure its capability of
20 fulfilling the program or programs for enrolled students.

21 (B) The faculty are fully qualified to undertake the level of
22 instruction that they are assigned, possess degrees or credentials
23 appropriate to the degree program and level they teach, and have
24 demonstrated professional achievement in the major field or fields
25 offered, in sufficient numbers to provide the educational services.

26 (C) The education services and curriculum clearly relate to the
27 objectives of the proposed program or programs, and offer
28 students the opportunity for a high-quality education.

29 (D) The facilities are appropriate for the defined educational
30 objectives and are sufficient to ensure quality educational services
31 to the students enrolled in the program or programs.

32 (E) The program of study for which the degree is granted
33 provides the curriculum necessary to achieve its professed or
34 claimed academic objective for higher education, and the
35 institution requires a level of academic achievement appropriate
36 to that degree.

37 (F) The institution provides adequate student advisement
38 services, academic planning and curriculum development
39 activities, research supervision for students enrolled in Ph.D.

1 programs, and clinical supervision for students enrolled in various
2 health profession programs.

3 (G) If the institution offers credit for prior experiential learning
4 it may do so only after an evaluation by qualified faculty and only
5 in disciplines within the institution's curricular offerings that are
6 appropriate to the degree to be pursued. The commission shall
7 develop specific standards regarding the criteria for awarding
8 credit for prior experiential learning at the graduate level,
9 including the maximum number of hours for which credit may be
10 awarded.

11 (b) The approval process shall include a qualitative review and
12 assessment of all of the following:

13 (1) Institutional purpose, mission, and objectives.

14 (2) Governance and administration.

15 (3) Curriculum.

16 (4) Instruction.

17 (5) Faculty, including their qualifications.

18 (6) Physical facilities.

19 (7) Administrative personnel.

20 (8) Procedures for keeping educational records.

21 (9) Tuition, fee, and refund schedules.

22 (10) Admissions standards.

23 (11) Financial aid policies and practices.

24 (12) Scholastic regulations and graduation requirements.

25 (13) Ethical principles and practices.

26 (14) Library and other learning resources.

27 (15) Student activities and services.

28 (16) Degrees offered.

29 (c) The standards and procedures utilized by the commission
30 shall foster the development of high-quality, innovative
31 educational programs and emerging new fields of study within
32 postsecondary education. In addition, the standards and
33 procedures utilized by the commission shall not unreasonably
34 hinder educational innovation and competition.

35 (d) (1) The Committee of Bar Examiners for the State of
36 California, in lieu of the commission, shall be responsible for the
37 approval, regulation, and oversight of degree-granting law schools
38 that (A) exclusively offer bachelor's, master's, or doctorate
39 degrees in law, such as Juris Doctor, and (B) are not otherwise
40 exempt under Section 94750. This paragraph does not apply to

1 unaccredited law schools that remain subject to the jurisdiction of
2 the commission.

3 (2) If a law school not exempt under Section 94750 offers
4 educational services other than bachelor's, master's, or
5 doctorate-degree programs in law, the law school and its nonlaw
6 degree programs shall be subject to Chapter 7 (commencing with
7 Section 94700), and the law school's degree programs in law shall
8 be subject to the approval, regulation, and oversight of the
9 Committee of Bar Examiners.

10 (e) As used in this chapter, "commission" refers to the
11 California Postsecondary Education Commission.

12 ~~SEC. 14.~~

13 *SEC. 15.* Section 94901 of the Education Code is amended
14 and renumbered to read:

15 94251. (a) (1) The commission shall conduct a qualitative
16 review and assessment of the institution. It also shall conduct a
17 qualitative review and assessment of all programs offered except
18 continuing education programs and programs that are exclusively
19 avocational or recreational in nature. The review shall include the
20 items listed in subdivision (b) of Section 94250, through a
21 comprehensive onsite review process, performed by a qualified
22 visiting committee impaneled by the commission for that purpose.

23 (2) An institution may include some or all of its separate
24 operating sites under one application. Alternatively, it may submit
25 separate applications for any one site or combination of sites. The
26 satellites or branches included in either an initial or renewal
27 application shall be considered by the commission to comprise a
28 separate, single institution for purposes of regulation, approval,
29 and compliance under this chapter.

30 (3) The application shall include a single fee based on the
31 number of branches, satellites, and programs included within a
32 single application in order to cover the costs involved for those
33 multisite and multiprogram reviews. If the application is for
34 renewal of an existing approval, the institution need only submit
35 information necessary to document any changes made since the
36 time its previous application was filed with the commission. Fees
37 for renewal applications will be based on the actual costs involved
38 in the administrative review process.

39 (b) The number of sites inspected by the commission as part of
40 its review process shall be subject to the following considerations:

1 (1) If the application for approval includes branches and
2 satellites, the commission shall inspect each branch and may
3 inspect any satellite campus.

4 (2) If the application is for approval to operate a branch or a
5 satellite, the commission, in addition to inspecting the branch or
6 satellite, also may inspect the institution operating the branch or
7 satellite campus.

8 (c) The commission may waive or modify the onsite inspection
9 for institutions offering home study or correspondence courses.
10 The visiting committee shall be impaneled by the commission
11 within 90 days of the date of the receipt of a completed application
12 and shall be composed of educators, and other individuals with
13 expertise in the areas listed in subdivision (b) of Section 94900,
14 from degree-granting institutions legally operating within the
15 state. Within 90 days of the receipt of the visiting committee's
16 evaluation report and recommendations, or any reasonable
17 extension of time not to exceed 90 days, the commission shall take
18 one of the following actions:

19 (1) If the institution is in compliance with this chapter and has
20 not operated within three years before the filing of the application
21 in violation of this chapter then in effect, the commission may
22 grant an approval to operate not to exceed five years.

23 (2) If the institution is in compliance with this chapter, but has
24 operated within three years before the filing of the application in
25 violation of this chapter then in effect, or if the commission
26 determines that an unconditional grant of approval to operate is not
27 in the public interest, the commission may grant a conditional
28 approval to operate subject to whatever restrictions the
29 commission deems appropriate. The commission shall notify the
30 institution of the restrictions or conditions, the basis for the
31 restrictions or conditions, and the right to request a hearing to
32 contest them. Conditional approval shall not exceed two years.

33 (3) The commission may deny the application. If the
34 application is denied, the commission may permit the institution
35 to continue offering the program of instruction to students already
36 enrolled or may order the institution to cease instruction and
37 provide a refund of tuition and all other charges to students.

38 (d) When evaluating an institution whose purpose is to advance
39 postsecondary education through innovative methods, the visiting
40 committee shall comprise educators who are familiar with, and

1 receptive to, evidence bearing on the educational quality and
2 accomplishments of those methods.

3 (e) The standards and procedures utilized by the commission
4 shall not unreasonably hinder educational innovation and
5 competition.

6 (f) Each institution or instructional program offering education
7 for entry into a health care profession in which the provider has
8 primary care responsibilities shall offer that education within a
9 professional degree program which shall be subject to approval by
10 the commission pursuant to this section.

11 (g) (1) If an institution is not operating in California when it
12 applies for approval to operate for itself or a branch or satellite
13 campus, the institution shall file with its application an operational
14 plan establishing that the institution will satisfy the minimum
15 standards set forth in subdivision (a) of Section 94250. The
16 operational plan also shall include a detailed description of the
17 institution's program for implementing the operational plan,
18 including proposed procedures, financial resources, and the
19 qualifications of owners, directors, officers, and administrators
20 employed at the time of the filing of the application. The
21 commission may request additional information to enable the
22 commission to determine whether the operational plan and its
23 proposed implementation will satisfy these minimum standards.

24 (2) If the commission determines that the operational plan
25 satisfies the minimum standards described in subdivision (a) of
26 Section 94250, that the institution demonstrates that it will
27 implement the plan, and that no ground for denial of the
28 application exists, the commission shall grant a temporary
29 approval to operate, subject to any restrictions the commission
30 reasonably deems necessary to ensure compliance with this
31 chapter, pending a qualitative review and assessment as provided
32 in subdivisions (a) and (b) of Section 94250. The commission shall
33 inspect, pursuant to subdivision (a) of this section, the institution,
34 or branch or satellite campus if approval is sought for that campus
35 between 90 days and 180 days after operation has begun under the
36 temporary approval to operate. Following receipt of the visiting
37 committee's or the commission staff's report, the commission
38 shall act as provided in paragraph (1), (2), or (3) of subdivision (c).

39 (h) If at any time the commission determines that an institution
40 has deviated from the standards for approval, the commission,

1 after identifying for the institution the areas in which it has
2 deviated from the standards, and after giving the institution due
3 notice and an opportunity to be heard, may place the institution on
4 probation for a prescribed period of time, not to exceed 24 calendar
5 months. During the period of probation, the institution shall be
6 subject to special monitoring. The conditions for probation may
7 include the required submission of periodic reports, as prescribed
8 by the commission, and special visits by authorized
9 representatives of the commission to determine progress toward
10 total compliance. If, at the end of the probationary period, the
11 institution has not taken steps to eliminate the cause or causes for
12 its probation to the satisfaction of the commission, the commission
13 may revoke the institution's approval to award degrees and
14 provide notice to the institution to cease its operations.

15 (i) An institution may not advertise itself as an approved
16 institution unless each degree program offered by the institution
17 has been approved in accordance with the requirements of this
18 section. The commission shall review all operations of the
19 institution, pertaining to California degrees, both within and
20 outside of California. The commission may conduct site visits
21 outside of California, including the institution's foreign
22 operations, when the commission deems these visits to be
23 necessary. The institution shall be responsible for the expenses of
24 the visiting team members including the commission's staff
25 liaison. The commission may authorize any institution approved
26 to issue degrees under this section to issue certificates for the
27 completion of courses of study that are within the institution's
28 approved degree-granting programs.

29 (j) An institution shall not offer any educational program or
30 degree title that was not offered by the institution at the time the
31 institution applied for approval to operate, and shall not offer any
32 educational program or degree title at a campus that had not
33 offered the program or degree title at the time the institution
34 applied for approval to operate that campus, unless the
35 commission first approves the offering of the program or degree
36 title after determining that it satisfies the minimum standards
37 established by this section.

38 ~~SEC. 15.~~

39 *SEC. 16.* Section 94905 of the Education Code is amended
40 and renumbered to read:

1 94255. (a) Any public or private postsecondary educational
2 institution incorporated in another state that has accreditation from
3 a regional accrediting association recognized by the United States
4 Department of Education at the time of the issuance of a degree,
5 and that is approved by the commission, may issue degrees,
6 diplomas, or certificates. Except for continuing education
7 programs and programs that are exclusively avocational or
8 recreational in nature, accredited public or private postsecondary
9 educational institutions incorporated in another state shall not
10 offer degrees, diplomas, or certificates in California unless they
11 comply with this section.

12 (b) The commission shall not approve an institution to issue
13 degrees, diplomas, or certificates pursuant to this section until the
14 commission has conducted a qualitative review and assessment of,
15 and has approved, each program offered by the institution and all
16 of its operations in California, and the commission has determined
17 that the institution meets all of the following standards:

18 (1) The institution has financial resources to ensure the
19 capability of fulfilling the program or programs for enrolled
20 students.

21 (2) The faculty includes personnel who possess appropriate
22 degrees from institutions accredited by a regional accrediting
23 association recognized by the United States Department of
24 Education in the degree major field or fields offered, in sufficient
25 number to provide the educational services.

26 (3) The education services and curriculum clearly relate to the
27 objectives of the proposed program or programs.

28 (4) The facilities are appropriate for the defined educational
29 objectives and are sufficient to ensure quality educational services
30 to the students enrolled in the program or programs.

31 (5) The institution has verifiable evidence of academic
32 achievement comparable to that required of graduates of other
33 institutions operating in this state for the program or programs
34 upon which the degree, diploma, or certificate is based.

35 (c) The period of any approval issued under this section shall
36 be subject to Section 94251.

37 (d) Institutions approved under this section shall offer in
38 California only programs that the institution can document to have
39 been acknowledged or favorably reviewed by the home regional
40 accrediting association.

(e) In reviewing the out-of-state accredited institutions, the commission shall use as guidelines the standards and procedures developed by the special committee created pursuant to paragraph (5) of subdivision (b) of Section 94310.1, as in effect on December 31, 1989, and adopted by the California Postsecondary Education Commission. These standards and procedures were based on all of the following principles:

(1) Following the initial site review, subsequent onsite reviews by the commission may be conducted in conjunction with institutional reviews by the regional accrediting association. However, if there is substantial evidence that the institution is not in compliance with state standards, the commission may initiate a special review of the California operations of the institution.

(2) Each institution may include some, or all, of its separate operating sites under one application. Alternately, it may submit separate applications for any one site or combination of sites. The satellites or branches included in either an initial or renewal application shall be considered by the commission to comprise a separate, single institution for purposes of regulation, approval, and compliance under this chapter.

(3) The application shall include a single fee based on the number of branches, satellites, and programs included within a single application in order to cover the costs involved for multisite and multiprogram reviews.

(4) If the application is for renewal of an existing approval, the institution need only submit information necessary to document any changes made since the time its previous application was filed with the commission. Fees for reapproval applications will be based on the actual costs involved in the administrative review process.

(5) The commission shall develop a ~~procedural~~ rationale to justify the number of sites to be visited by the state in the review of the institution's operations in California. The number of sites visited shall be subject to the following considerations:

(A) If the application for approval includes branches and satellites, the commission may inspect each branch and may inspect any satellite campus.

(B) If the application is for approval to operate a branch or a satellite, the commission, in addition to inspecting the branch or

1 satellite, also may inspect the institution operating the branch or
2 satellite campus.

3 (C) The commission may waive or modify the onsite
4 inspection for institutions offering home study or correspondence
5 courses.

6 (D) The purpose of the onsite review by the commission shall
7 be to determine that operations by the institution in California meet
8 the minimum state standards identified in statute.

9 (E) The standards and procedures shall not unreasonably
10 hinder educational innovation and competition.

11 *SEC. 17. The California Postsecondary Education*
12 *Commission shall consult with representatives of the private,*
13 *public, and independent postsecondary education sectors, and*
14 *develop recommendations for long-term policies that guide*
15 *oversight and regulation of the nonpublic sectors of postsecondary*
16 *education. The recommendations shall be submitted to the*
17 *appropriate education committees of the Legislature by September*
18 *1, 2004, and shall include recommendations in all of the following*
19 *areas:*

20 (a) *Specific actions that should be taken to improve*
21 *transferability of courses among the three sectors of*
22 *postsecondary education.*

23 (b) *The extent to which California shall accept accreditation by*
24 *any entity recognized by the United States Department of*
25 *Education as a valid proxy for the quality of academic courses,*
26 *programs, and degrees awarded by postsecondary education*
27 *institutions operating in California.*

28 (c) *The extent to which public postsecondary education*
29 *institutions providing vocational preparation programs should be*
30 *held to similar standards for completion and placement as private*
31 *institutions providing similar programs.*